

CORPORATE GOVERNANCE REPORT

STOCK CODE : 0190
COMPANY NAME : EVERSAFE RUBBER BERHAD
FINANCIAL YEAR : December 31, 2023

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>Eversafe Rubber Berhad ("Eversafe" or "the Group") is led by an experienced and dynamic Board of Directors ("Board"), which is ultimately responsible for establishing all strategies and policies relating to the running of the Group. With its balanced Board composition comprising experienced and effective Executive Directors and Independent Non-Executive Directors, the Board plays a pivotal role in the stewardship of the Group and ultimately enhancing shareholders value.</p> <p>The Board's role is to govern Eversafe rather than to manage it. In governing the Group, the Board delegates and confers some of its authorities and discretion to the Chief Executive Officer, Executive Directors and Board Committees. The Board Committees comprise Audit Committee, Nominating Committee, and Remuneration Committee. Through its Committees, the Board provides effective oversight of the Management's performance, risk assessment and controls over business operations, and compliance with regulatory requirements. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. In addition, the Board is also responsible for formulating and reviewing the Group's strategic plans and key policies, and charting the course of the Group's business operations.</p> <p>The Board plays a key role in the governance process through its review and approval of the Group's direction and strategy, monitoring of business performance and review of the adequacy and integrity of the Group's internal control system. The Board believes that commitment to its fiduciary duties and responsibilities is critical to its goal of driving long term shareholders' value. The Board is also entrusted with the responsibility of exercising reasonable care of the Group's resources in enhancing the shareholders' long-term value while taking into account of other stakeholders.</p>

	<p>The Board delegates and confers some of its authority and discretion on the Executive Directors as well as on properly constituted Committees namely the Audit Committee, Nominating Committee, and Remuneration Committee. The Board Committees comprise Non-Executive Directors and operate within their clearly defined Terms of Reference approved by the Board. The Board Committees deal with specific issues that require specialised areas of expertise, and then report to the Board on matters considered and their recommendations, thereon. However, the ultimate responsibility of the final decision on all matters lies with the Board.</p> <p>The functions, roles and responsibilities of the Board are set out in the Board Charter while the Board Committees' roles and responsibilities are set out in their respective Terms of Reference which are available for reference on the Company's website – http://www.eversafe.com.my</p>
Explanation for departure :	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is led by Tan Sri Dato' Dr. Sak Cheng Lum, the Independent Non-Executive Chairman, who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board as well as leading the Board to work towards a high-performance culture.</p> <p>As provided under the Company's Board Charter, the Chairman is responsible, amongst others to:</p> <ul style="list-style-type: none">a) Leadership of the Board, leading Board meetings and discussions, ensuring the Board's effectiveness on all aspects of its role, setting Board agenda and ensuring adequate time is available for discussion of all agenda;b) Ensuring the provision of accurate, timely and clear information to members of the Board;c) Encouraging active participation and allowing dissenting views to be freely expressed;d) Ensuring effective communication with shareholders and stakeholders and their views are communicated to the Board as a whole;e) Facilitating the effective contribution of non-executive directors and ensuring constructive relations between the executive and non-executive directors;f) Managing the interface between the Board and Management; andg) Leading the Board in establishing and monitoring good corporate governance practices in the Group. <p>The responsibilities of the Chairman are set out in the Board Charter which is made available on the Company's website – http://www.eversafe.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman and the Chief Executive Officer are held by different individuals. There is also a clear distinction of responsibilities between the Chairman and the Chief Executive Officer to maintain a balance of authority and accountability.</p> <p>The Chairman provides overall leadership to the Board and is primarily responsible for the orderly conduct and function of the Board to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The Chief Executive Officer meanwhile is principally responsible for implementing and executing corporate strategies, policies and decisions adopted by the Board and overseeing the overall business operations.</p> <p>The responsibilities of the Chief Executive Officer are set out in the Board Charter which is made available on the Company's website – http://www.eversafe.com.my</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>			
Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Chairman of the Board, Tan Sri Dato' Dr. Sak Cheng Lum is a member of the Audit Committee, and is the Chairman of the Nominating Committee as well as the Remuneration Committee.	
	:	The Chairman is conscious of his differing role in the various committees. All matters are thoroughly deliberated at respective committee level which involves participation of other committee members. The presence of other members would still create a fair and good balance for open and free discussions with unbiased decisions.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:	The Company after review intends to maintain current practice.	
Timeframe	:	Others	The Board will continuously review this practice and consider the appropriateness of compliance in the future.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by two (2) qualified and competent Company Secretaries who are members of professional bodies and qualified to act as Company Secretaries under Section 235 of the Companies Act 2016.</p> <p>The Company Secretaries are responsible for providing guidance to the Board, particularly on corporate governance issues and compliance with relevant policies and procedures, rules and regulatory requirements and ensure good information flow within the Board, the Board Committees and the Management.</p> <p>The roles and responsibilities of the Company Secretaries include, but are not limited to the following:</p> <ul style="list-style-type: none">• Attending Board and Committee meetings as well as General Meetings and ensuring deliberations and decisions at the meetings are properly documented and the minutes is circulated in a timely manner and kept in the minutes books;• Ensuring compliance of the Company's Constitution, Listing Requirements, Companies Act 2016, Malaysian Code on Corporate Governance ("MCCG") and other regulatory requirements;• Providing support and guidance to the Board on issues relating to the Company's Constitution, Companies Act 2016, and the best practices on governance matters; and• Performing the statutory duties as prescribed under the Companies Act 2016. <p>The roles and responsibilities of the Company Secretaries are set out in the Board Charter which is made available on the Company's website – http://www.eversafe.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>Board Meetings for the ensuing year are scheduled in advance prior to the end of the current financial year. This enables the Management ample time to plan ahead the yearly business and corporate affairs and ensure timely preparation of information for dissemination to the Board. The Board has a defined schedule of matters reserved for the Board's decision and that the Board papers for meetings will be circulated to the Board at least five (5) days before the meeting unless the Directors agree to a shorter notice. This is to ensure all Directors have sufficient time to obtain further explanation, where necessary, in order to be fully informed of the matters to be discussed during the meeting.</p> <p>The deliberations and decisions at Board and Board Committee meetings are well documented in the minutes by the Company Secretaries, including matters where Directors abstained from voting or deliberation. The minutes of the previous Board and Board Committee meetings are distributed to the Directors and/or respective Committee prior to the meeting for their perusal before confirmation at the following Board and Board Committees meeting. The Directors may comment or request clarification before the minutes are tabled for confirmation as a correct record of the proceedings of the meeting. The Management provides Directors with complete and timely information prior to meetings and on-going basis to enable them to make informed decisions to discharge their duties and responsibilities.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a formalised Board Charter, which sets out the Board’s strategic intents and outlines the Board’s roles and responsibilities in discharging its fiduciary and leadership functions. The Board Charter provides guidance to the Board, Board Committees, Directors and Management of the Company in the fulfilment of its roles, duties and responsibilities which are in line with the listing requirements and the principles of MCCG.</p> <p>The Board Charter is reviewed periodically or as and when changes occur to ensure that it reflects the current needs of the Group and any new rules, laws and regulations that may have impact on the corporate governance practices of the Group and the responsibilities of the Board in discharging its governance function.</p> <p>The Board Charter is accessible for reference on the Company’s website – http://www.eversafe.com.my</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board aims to establish a corporate culture, which engenders ethical conduct that permeates throughout the Group, through a set of Code of Conduct and Ethics to be adhered by all individuals employed by the Group. The Code of Conduct and Ethics provides guidance on the way employees should conduct themselves in performing their duties as it aims to establish a standard of ethical behaviour based on trustworthiness and values as well as uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administration of a company.</p> <p>The Code is periodically reviewed by the Board and is updated as and when necessary.</p> <p>The Code of Conduct and Ethics is made available on the Company's website – http://www.eversafe.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has established a Whistleblowing Policy to provide employees, stakeholders an avenue to raise genuine concerns about wrongdoings, misconduct, illegal acts, or unethical business conduct that is taking place, has taken place, or may take place in the future.</p> <p>The Whistleblowing Policy and its disclosure procedure are accessible to the public for reference on the Company's website. Such misconducts may be reported directly to the Chairman of the Audit Committee through a written submission via post or email to whistleblower@eversafe.com.my.</p> <p>The Company Secretaries who receive the report will conduct a preliminary assessment before tabling the completed assessment to the Audit Committee during the Audit Committee meeting. Upon completion of the assessment and subsequent investigation, the whistleblower will be notified of the outcome.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>Our sustainability initiatives are governed by the Board of Directors who provides oversight and guidance in the formulation, direction and the implementation of our sustainability policies and strategies.</p> <p>The Board is assisted and supported by the Management team whose roles include ensuring that the sustainability initiatives are effectively implemented and integrated across our operations.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	The Company's sustainability strategies and initiatives are detailed in the Sustainability Statement in the 2023 Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Group’s business and sustainability objectives, strategies and financial targets are evaluated by the Board on an annual basis.</p> <p>The Board also reviews the Group’s performance and evaluates the risk profile and makes regular assessment of these processes to ensure high quality standards are maintained.</p> <p>The Board keep fully abreast of latest regulations and guideline applicable to the business including current and emerging environmental issues and develop robust practices around factoring environmental consideration into the Board’s decision making.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board currently does not have in place a review of the performance of the Board and senior management in its performance evaluations. To address this, the Board will explore ways to embed sustainability-related review into each of the Board members' and senior management's performance evaluation, moving forward.
		The Board and the Management will continue to ensure that the Company's strategies, business plans and risk management take into account sustainability considerations.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	The Company does not have any alternative practice currently.
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group places great emphasis on diversity principles. The right blend of skills, experience and diversity for the Board and the Senior Management Team is an essential element of ensuring its effectiveness, which in turn leads to the long-term success of the Group. A diverse Board and Senior Management team is one that possesses a balance of skills, experience, age, ethnicity/cultural background, gender and a diversity of perspectives that are relevant to the Group's business and its strategic objectives.</p> <p>The composition and size of the board is reviewed by the Nominating Committee from time to time to ensure its appropriateness and effectiveness.</p> <p>The Nominating Committee also annually reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence. Only those with satisfactory evaluation are recommended to the Board for re-election.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	The Board comprises eight (8) members, four (4) of which are Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Executive Directors with one of them also functioning as the Chief Executive Officer. The Independent Non-Executive Directors are as follows: a) Tan Sri Dato' Dr. Sak Cheng Lum b) Mr. Ng Meng Kwai c) Tuan Haji Mohd Isa bin Haji Mohd Talib d) Ms. Ong Beow Chieh
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	Currently, there are no Independent Directors serving beyond a cumulative term limit of nine years. Should the Board intend to retain an Independent Director beyond nine years, the company shall provide justification and seek annual shareholders' approval through a two-tier voting process accordingly.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance and benefits of boardroom diversity in terms of age, gender, nationality, ethnicity and socioeconomic background. Hence the appointment of Board members and Senior Management personnel of the Group are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Group adheres strictly to the practice of non-discrimination of any form.</p> <p>In assessing the suitability of any candidate for the directorship, the Nominating Committee will take into consideration the candidate's the mix of skills, knowledge, experience, diversity, background, integrity, competence, time commitment and independence in order to meet the strategic objectives and business requirements of the Group.</p> <p>As a result, the Group's Board of Directors has a diverse set of skills, experience and knowledge necessary to govern the Group towards achieving its intended goals and objectives. On top of that, it also enables the Board to carry out its responsibilities effectively and ensures accountability. In areas where the Board may not possess the required expertise, the Board would be able to garner advice from its consultants in the required field.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The proposed appointment of a new member to the Board will be deliberated by the full Board based upon the recommendation of the Nominating Committee. It has been a practice of the Group for the Nominating Committee to source candidates through open advertising or the services of external advisers.</p> <p>Before making the recommendations, the Nominating Committee will evaluate a candidate by taking into account the following:</p> <ul style="list-style-type: none"> a) skills, knowledge, expertise and experience; b) character, integrity, competence, and commitment (including time commitment) to effectively discharge his/her role as a Director; c) professionalism; d) level of independence; e) boardroom diversity including gender, age, professional background and experience diversity; and <p>other relevant qualities required to manage the businesses of the Group effectively, with the aim of meeting the current and future needs of the Board composition.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	The Company makes announcements on Bursa Malaysia on any changes in the boardroom composition. The Company also shares relevant information on each new director in accompaniment with the boardroom change announcements.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The Nominating Committee comprises: a) Tan Sri Dato' Dr. Sak Cheng Lum (Chairman) b) Mr. Cheah Eu Lee c) Mr. Ng Meng Kwai Tan Sri Dato' Dr. Sak Cheng Lum is the Independent Non-Executive Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied
Explanation on application of the practice	:	<p>The current Board composition consist of 1 woman director that complies with Rule 15.02 of the ACE Market Listing Requirements.</p> <p>The Board acknowledges the importance of boardroom diversity in terms of age, gender, nationality, ethnicity and recognises the benefits of this diversity. The Board recognises the importance of promoting boardroom diversity in the Group but it goes beyond just gender diversity.</p> <p>The Group also needs to meet the expectations of its stakeholders such as shareholders, employees, customers, suppliers and the environment. Hence, boardroom diversity should ideally comprise Directors that have the relevant competencies, skills and knowledge and are able to provide a diversity of thought, experiences and perspectives to strengthen the Board.</p> <p>The Board continues to promote a corporate culture that embraces gender diversity in the boardroom. When sourcing for future Board vacancy, the Nominating Committee will give due consideration to identify suitably qualified woman candidate to fill the said position in line with the best practice of MCGG. No time frame has been set for the search concerned.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	The Company doesn't have a policy on gender diversity for the board and senior management. Despite this, the Company supports the gender diversity as recommended under the MCCG and recognises the importance of encouraging and developing female talents at all levels.	
		The Board acknowledges the importance of boardroom diversity and views. However, the selection criteria based on character, competencies, skills, knowledge, integrity and other qualities to strengthen the Board should remain a priority.	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The Board has delegated to the Nominating Committee the responsibility to establish, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors, including the assessment on the effectiveness of the Board as a whole, the performance of each individual Director and the Board Committees, including the term of office and performance of each of the Board Committees and its members on an annual basis.</p> <p>All assessments and evaluations carried out by the Nominating Committee in the discharge of all its functions are properly documented. The criteria used, among others, for the annual assessment of individual Directors include an assessment of their roles, duties, responsibilities, competency, expertise and contribution.</p> <p>Meanwhile, for the Board and Board Committees, the criteria used include among others, composition, structure, accountability, responsibilities, adequacy of information and processes.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee and the Board ensure that the remuneration policy remains supportive to the Group's corporate objectives and is aligned with the interest of shareholders. Further to this, the remuneration policy of Directors are guided by market norms and industry practices and are sufficiently attractive to attract and to retain persons of high calibre.</p> <p>The remuneration is structured to link experience, expertise and level of responsibility undertaken by the Directors. The Directors play no part in deciding their own remuneration and shall abstain from discussing or voting on their own remuneration</p> <p>The remuneration policy is available in the Remuneration Committee's Terms of Reference which is made available on the Company's website – http://www.eversafe.com.my</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Remuneration Committee comprises:</p> <ul style="list-style-type: none"> a) Tan Sri Dato' Dr. Sak Cheng Lum (Chairman) b) Tuan Haji Mohd Isa bin Haji Talib c) Dato' Seri Cheah Eu Kiat <p>The responsibilities of the Remuneration Committee are:</p> <ul style="list-style-type: none"> a) to recommend to the Board, the remuneration of each Director in all its form, with the respective Directors abstaining from deliberating their own remuneration; b) to determine the policy for and scope of service agreement for the Executive and Non-Executive Directors; and c) to establish and to review the remuneration packages of each individual Director such that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Group successfully. <p>The Remuneration Committee's Terms of Reference is made available on the Company's website – http://www.eversafe.com.my</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	A detailed disclosure on named basis for the remuneration of individual directors is included in the Annual Report 2023 under the Corporate Governance Overview Statement. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Seri Cheah Eu Kiat	Executive Director	30	Input info here	Input info here	Input info here	Input info here	Input info here	30	66	Input info here	234	Input info here	28	12	340
2	Eu Ah Seng	Executive Director	30	Input info here	Input info here	Input info here	Input info here	Input info here	30	45	Input info here	204	Input info here	17	7	273
3	Cheah Siang Tee	Executive Director	30	Input info here	Input info here	Input info here	Input info here	Input info here	30	66	Input info here	428	Input info here	61	56	611
4	Tan Sri Dato' Dr Sak Cheng Lum	Independent Director	35	Input info here	Input info here	Input info here	Input info here	Input info here	35	35	Input info here	Input info here	Input info here	Input info here	Input info here	35
5	Cheah Eu Lee	Non-Executive Non-Independent Director	30	Input info here	Input info here	Input info here	Input info here	Input info here	30	60	Input info here	Input info here	Input info here	Input info here	Input info here	60
6	Haji Mohd Isa Bin Haji Talib	Independent Director	30	Input info here	Input info here	Input info here	Input info here	Input info here	30	30	Input info here	Input info here	Input info here	Input info here	Input info here	30
7	Ng Meng Kwai	Independent Director	45	Input info here	Input info here	Input info here	Input info here	Input info here	45	45	Input info here	Input info here	Input info here	Input info here	Input info here	45
8	Ong Beow Chieh	Independent Director	30	Input info here	Input info here	Input info here	Input info here	Input info here	30	30	Input info here	Input info here	Input info here	Input info here	Input info here	30
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
11	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
12	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
13	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
14	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board has considered the need for transparency in the disclosure of its key senior management's remuneration as recommended by MCCG and presently has disclosed the remuneration details of the Group's Executive Directors namely Dato' Seri Cheah Eu Kiat, Mr. Eu Ah Seng, and Mr. Cheah Siang Tee in the Annual Report 2023.</p> <p>However, the Board is of the view that the disclosure of the remuneration of other key senior management personnel who are not Directors would not be in the best interest of the Group given the competitive landscape for key personnel with the requisite knowledge, technical expertise and working experience in the Group's business segments. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Chairman of the Audit Committee and the Chairman of the Board are helmed by two distinct individuals which allows the Board to objectively review the Audit Committee’s findings and recommendations.</p> <p>The Chairman of the Board is Tan Sri Dato’ Dr. Sak Cheng Lum while the Chairman of the Audit Committee is Mr. Ng Meng Kwai.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	At present, none of the members of the Audit Committee was a key audit partner in the last 3 years before being appointed.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee is responsible for the annual assessment of the suitability, objectivity, competency and independence of the external auditors and to make subsequent recommendations to the Board on the appointment or re-appointment or termination of the external auditor.</p> <p>The review of the external auditors shall include:</p> <ul style="list-style-type: none"> a) the audit plan and scope of their audits, including any changes to the planned scope of the audit plan b) their evaluation of the system of internal controls c) the audit fee and on matters concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as Auditors d) the assistance given by the employees to the external auditors, and any difficulties encountered in the course of the audit work
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	The Audit Committee comprises wholly of Independent Non-Executive Directors. The Audit Committee members do not participate in the day-to-day management of the Group and do not engage in any business dealings or possess business relationship with the Group. This allows the Audit Committee members to exercise their lodgement objectively whilst acting in the best interest of the Group.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>All members of the Audit Committee are financially literate and assist the Board in overseeing and scrutinising the process and quality of the financial reporting while at the same time ensuring accuracy, adequacy and completeness of the report, as well as its compliance with the relevant accounting standards.</p> <p>The qualification and experience of the individual Audit Committee members are disclosed in the Profile of Board of Directors of the Annual Report 2023. The Audit Committee members undertake continuous professional development trainings to ensure that they are abreast of relevant developments in accounting and auditing standards, practices and rules. Trainings attended by the Audit Committee members during the financial year ended 31 December 2023 is disclosed in the Corporate Governance Statement in the Annual Report 2023.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board oversees, reviews and monitors the operation, adequacy and effectiveness of the Group’s system of internal control. In order to do this, the Board has formalised a structured risk management framework to determine the Group’s level of risk tolerance and to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an ongoing basis.</p> <p>The system of internal control practised by Group spans across financial, operational and compliance aspects, particularly to safeguard the Group’s assets and hence shareholders’ investments. The system of internal control, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.</p> <p>The Board annually reviews the effectiveness, adequacy and integrity of the risk management framework and internal control system of the Group to ensure that significant risks faced by the Group are being managed appropriately to respond to changes in the business environment.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company’s objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The features of the Group’s risk management and internal control framework is as set out in the Statement of Risk Management and Internal Control of the 2023 Annual Report.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is carried out by our own in-house internal auditor, Mr. Leong Yew Wah. He is supported by an independent professional audit firm appointed by the Audit Committee to independently assess the adequacy and effectiveness of the corporate governance and internal control system as well as to provide an independent and objective report on its observations.</p> <p>The internal audit function will highlight its findings, recommendations, management's comments and action plan, via the issuance of an internal audit report directly to the Audit Committee. This report will then be tabled at Audit Committee meetings and thereafter to the Board for further deliberation.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	Mr. Leong Yew Wah, our internal auditor as well as the outsourced internal audit firm do not have any relationships or conflict of interest with the Group that may impair their objectivity and independence in conducting their internal audit functions. The outsourced internal audit firm has a direct reporting access to the Audit Committee and ultimately to the Board.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group recognises the importance of providing effective communication channels to provide comprehensive, accurate, and valuable insights in a timely manner to our stakeholders. Towards this, the Group’s website incorporates an Investor Relations section that includes all announcements made such as quarterly announcements, relevant circulars and press releases. The Investor Relations section also includes annual reports as well as the corporate and governance structure of the Group. It is the Group’s practice to respond to shareholders’ letters, phone calls and email enquiries in a timely manner. Whilst the Group endeavours to provide as much information as possible to its shareholders and other stakeholders, the Board is mindful of the regulatory framework governing the release of material and price sensitive information.</p> <p>In addition to this, the Group also holds Annual General Meetings and Extraordinary General Meetings, when necessary. The general meetings serve as opportunities for the Board to meet shareholders for a dialogue session on any matters related to the operational, financial and administrative aspects of the Group.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>The date of Notice of the Ninth Annual General Meeting (AGM) is 29 April 2024 and the Ninth Annual General Meeting is scheduled to be held on 28 May 2024, which is more than 28 days' advance notice.</p> <p>The Notice of AGM provides detailed explanation for resolutions proposed to facilitate full understanding and evaluation of the issues to be tabled at the AGM, to enable shareholders to make informed decisions when exercising their voting rights at the AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is notified at the beginning of the calendar year of the scheduled meeting to ensure that all Directors are present to provide meaningful response to questions addressed to them.</p> <p>During these meetings, the Board of Directors which also includes the Chairmen of the Audit, Nominating and Remuneration Committees will be present to address any matters raised before them.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied	
Explanation on application of the practice	:	The Annual General Meeting of the Company will be held in Ipoh, Perak and not in a remote location.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	A question-and-answer session has been allocated after the tabling of each resolution. The Chairman, facilitated by the Company Secretary, will mediate the session by encouraging the shareholders to pose questions and ensure each question is addressed by the relevant person of authority during the session.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: The minutes of the meeting is posted on company website no later than 30 business days after the General Meetings.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES
PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA
MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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